

## Economics of Migration

Summer Semester 2024

### Synopsis

This course covers the incentives for and implications of individual and household mobility from an economic perspective, deriving and discussing consequences at both the national and the global level. Special attention is paid to public finance aspects. Additional topics include illegal migration and the international mobility of the highly skilled.

### Modules and Exams

MA-WW-VWL-2702, D-WW-WIWI-2702, WW-MA-PIE-MIG, MA-IB-GPOE-IW, MA-IB-MIG: written exam, 90 minutes

Examination is conducted in English and offered in both the summer semester 2024 and the winter semester 2024.

### Instructors

Lecture (L), Consultation (C): Prof. Dr. Alexander Kemnitz, SCH C 265, office hour: Tue, 1:00-2:00 pm, by appointment, email: [alexander.kemnitz@tu-dresden.de](mailto:alexander.kemnitz@tu-dresden.de)

Tutorial (T), Consultation: Marius Kröper, M.Sc., SCH C 262, office hour: by appointment, email: [marius.kroeper@tu-dresden.de](mailto:marius.kroeper@tu-dresden.de)

### Schedule

Calendar Week	15	16	17	18	19	20	22	23	24	25	26	27	28
Mon, 2:50 – 4:20 pm SCH A 118/H	L	L	T	L	L	L	L	L	L	L	L	L	T
Thu, 11:10 am – 12:40 pm HSZ E01/U	-	-	L	L	-	T	L	T	T	T	T	L	C

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### Resources

Comprehensive introductory texts and data:

Bodvarsson, Ö.B. & H. van den Berg (2013): *The Economics of Immigration: Theory and Evidence*, 2<sup>nd</sup> edition, Springer: <https://katalogbeta.slub-dresden.de/id/0-1657826341/>

Borjas, G. (2014): *Immigration Economics*, Harvard University Press: <https://doi.org/10.4159/harvard.9780674369900>

OECD (2023): *International Migration Outlook 2023*, OECD Publishing, <https://doi.org/10.1787/b0f40584-en>

Lecture and tutorial slides, detailing references, and more will be provided gradually on the OPAL-site of this course.

Access requires login to OPAL via your TU Dresden account and registration on the course site.

## Contents

### I. Introduction

### II. Migration Incentives

#### *A. A Basic Model*

#### *B. Political Barriers*

#### *C. Natural Barriers*

1. Credit Constraints
2. Home Bias
3. Family Migration
4. The Option Value of Migration
5. Return Migration

#### *D. Self-Selection*

1. Perfect Information
2. Asymmetric Information

### III. Macroeconomics Perspectives on Migration

#### *A. The Neoclassical Approach*

1. Global Effects
2. Impacts on Receiving Countries
  - a. The Immigration Surplus
  - b. Distributional Issues
  - c. The Role of Trade

#### *B. The Ricardian View*

#### *C. O-Ring-Theory*

#### *D. Empirical Evidence*

1. Natural Experiments
2. Labor Demand Function Approach

### IV. Migration and the Public Finances

#### *A. Fiscal Redistribution*

1. The Immigration Surplus
2. The Scope for Redistribution

#### *B. Unemployment Benefits*

#### *C. Public Pensions*

#### *D. Empirical Evidence*

### V. Illegal Immigration

#### *A. Instruments*

#### *B. The Market for Human Smuggling*

#### *C. Return Migration*

### VI. Migration and Development

#### *A. Brain Drain vs. Brain Gain*

1. Theoretical Considerations
2. Empirical Evidence

#### *B. Remittances*

1. The Microeconomics of Remittances
2. The Macroeconomics of Remittances